



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

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## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

**Requestor Name**

ELITE HEALTHCARE FORT WORTH

**Respondent Name**

ACCIDENT FUND NATIONAL INSURANCE

**MFDR Tracking Number**

M4-13-2669-01

**Carrier's Austin Representative**

Box Number 06

**MFDR Date Received**

JUNE 17, 2013

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Patient has authorization for therapy. We were never paid in full for the therapy... All other claims have been paid at 100%. Therefore, these claims should be paid in full."

**Amount in Dispute:** \$3,814.22

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** The insurance carrier or its agent did not submit a response to the request for medical fee dispute resolution.

### **SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 23, 2012 through February 14, 2013	Physical Therapy – CPT Codes 97140 and 97112 Case Management Services – CPT Code 99361	\$3,814.22	\$3,366.40

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

**Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 sets out the fee guidelines for professional services.
3. 28 Texas Administrative Code §134.204 sets out the fee guidelines for workers' compensation specific services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 119 – Benefit maximum for this time period or occurrence has been reached.
  - 168 – Billed charge is greater than maximum unit value or daily maximum allowance for physical therapy/physical medicine services.
  - 247 – A payment or denial has already been recommended for this service.
  - B13 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
  - 309 – The charge for this procedure exceeds the fee schedule allowance.

- W1 – Workers Compensation State Fee Schedule Adjustment.
- 1014 – The attached bill has been re-evaluated at the request of the provider. Based on this re-evaluation, we find our original review to be correct. Therefore, no additional allowance appears to be warranted.

### **Issues**

1. Did the requestor billed physical therapy correctly?
2. Were there any Correct Coding Initiative edits in the billing process?
3. Did the requestor bill the case management code correctly?
4. Is the requestor entitled to reimbursement?

### **Findings**

1. 28 Texas Administrative Code §134.203(c) states: "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications." Therefore the disputed dates of service were reviewed in accordance with the Division rules and the Labor Code and are as follows:
  - Procedure code 97140, service date October 23, October 25, October 29, October 30, November 6, November 8, November 9, November 13, November 15, November 27, and November 29, 2012, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.43. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.979 is 0.3916. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.826 is 0.00826. The sum of 0.82986 is multiplied by the Division conversion factor of \$54.86 for a MAR of \$45.53. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 20% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$41.23 at 2 units is \$82.46. The requestor billed two units for each date of service; therefore, reimbursement is recommended as follows:  $82.46 \times 11$  dates of service = \$907.06.
  - Procedure code 97140, service date January 29, January 30, January 31, February 4, February 6, February 13, February 14, 2013, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.43. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.979 is 0.43076. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.826 is 0.00826. The sum of 0.86902 is multiplied by the Division conversion factor of \$55.30 for a MAR of \$48.06. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 20% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$43.29 at 2 units is \$86.58. The requestor billed two units for each date of service; therefore, reimbursement is recommended as follows:  $\$86.58 \times 7$  dates of service = \$606.06.
  - Procedure code 97112, service date October 23, October 25, October 29, October 30, November 6, November 8, November 9, November 13, November 15, November 20, November 27, and November 29, 2012, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.45. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.979 is 0.46992. The malpractice RVU of 0.01 multiplied

by the malpractice GPCI of 0.826 is 0.00826. The sum of 0.92818 is multiplied by the Division conversion factor of \$54.86 for a MAR of \$50.92. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 20% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$45.76 at 2 units is \$91.52. The requestor billed two units for each date of service; therefore, reimbursement is recommended as follows:  $\$91.52 \times 12 = 1,098.24$ .

- Procedure code 97112, service date January 29, 2013, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.45. The practice expense (PE) RVU of 0.52 multiplied by the PE GPCI of 0.979 is 0.50908. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.826 is 0.00826. The sum of 0.96734 is multiplied by the Division conversion factor of \$55.30 for a MAR of \$53.49. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 20% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$47.86 at 2 units is \$95.72. The requestor billed two units for each date of service; therefore, reimbursement is recommended as follows:  $\$95.72 \times 7 \text{ dates of service} = \$670.04$ .

2. 28 Texas Administrative Code §134.203(b) states: "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules.

CPT Code 97002 – Review of Procedure code 97140, service date November 20, 2012 has a CCI conflict with Procedure Code 97002. An appropriate modifier may be used to differentiate between the two codes; however, the requestor did not attach the appropriate modifier. Therefore, reimbursement is not recommended.

3. 28 Texas Administrative Code §134.204(e)(4) states: "Case management services require the treating doctor to submit documentation that identifies any HCP that contributes to the case management activity. Case management services shall be billed and reimbursed as follows: (A) CPT Code 99361. (i) Reimbursement to the treating doctor shall be \$113. Modifier "W1" shall be added." Review of the documentation finds that Dr. Michael Lopez, D.C. is the treating doctor; furthermore, the requestor billed \$113.00, as allowed. The respondent issued reimbursement in the amount of \$28.00; reimbursement in the amount of \$85.00 is recommended.

4. Review of the submitted documentation for the dates of service in dispute finds the requestor has established that reimbursement in the amount of \$3,366.40 is due.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that reimbursement is due. As a result, the amount ordered is \$3,366.40

## ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$3,366.40 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

### Authorized Signature

_____	_____	June 13, 2014
Signature	Medical Fee Dispute Resolution Officer	Date

## YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, 37 *Texas Register* 3833, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**